

# **EMERGENCY SOLUTIONS GRANT (ESG) ENTITLEMENT PROGRAM**

**SUB-RECIPIENT MANDATORY ONLINE TRAINING**

**1**



Please note that, at the end of this presentation, you will be required to complete a quiz certifying that you have reviewed all training material.

This quiz will ensure that you understand and comprehend the information provided in this training presentation.

# WHO WE ARE...

## NEIGHBORHOOD & COMMUNITY DEVELOPMENT (DND)

### STAFF NAME

### TITLE

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# HUD ALLOCATIONS

The U.S. Department of Housing and Urban Development (HUD) allocates CDBG, HOME and ESG funds to state and local governments as well as entitlement communities to carry out a widerange of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services.



# HEARTH ACT OVERVIEW

- The Homeless Emergency and Rapid Transition to Housing (HEARTH) Act, was signed into law on May 20, 2009, and amends the McKinney-Vento Homeless Assistance Act.
- The HEARTH Act consolidates three of the separate homeless assistance programs administered by HUD under the McKinney-Vento Homeless Assistance Act into a single grant program and creates the Emergency Solutions Grant Program and the Rural Housing Stability Program.
- The HEARTH Act changes the focus from homeless shelter assistance to homelessness prevention and rapid re-housing, and allows for increased flexibility in who may be served and what activities may be carried out.

# QUALIFICATIONS OF HOMELESSNESS

A person is considered homeless as determined under the McKinney-Vento Act [amended by the HEARTH Act (24 CFR 577.2)] under four categories for an individual or family as follows:

- Lacks a fixed, regular, and adequate nighttime residence (e.g. places not meant for human habitation such as a car, park, sidewalk, abandoned building, or on the street;
- Imminently will lost their primary nighttime residence within 14 days (e.g. Court order to vacate, lack of resources to continue staying in a hotel or motel, or no longer allowed by owner or renter of housing to stay);
- Unaccompanied youth and homeless families with children and meet the three conditions of 103 (a)(6);
- Other: A. Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life threatening conditions that relate to violence against the individual or family and/or
- B. Individuals with a disability

# ELIGIBLE ESG ACTIVITIES/ COMPONENTS

| Component   | Those who are Homeless | Those who are at Risk of Homelessness |
|---|------------------------|---------------------------------------|
| Street Outreach   | X                      |                                       |
| Emergency Shelter   | X                      |                                       |
| Homeless Prevention   |                        | X                                     |
| Rapid Re-Housing  | X                      |                                       |
| Collecting Data On: Homeless Management Information System (HMIS) | X                      | X                                     |

# ESG MIN/MAX PERCENTAGE ALLOCATIONS

| Component           | ESG CAP Limits                           | ESG Allocation Example |
|---------------------|--|------------------------|
| Street Outreach     | up to 60% maximum<br>can be allocated    | 60.0%                  |
| Emergency Shelter   |  |                        |
| Homeless Prevention | At least 40% minimum<br>can be allocated | 32.2%                  |
| Rapid Re-Housing    |  |                        |
| HMIS                | No cap                                   | 0.3%                   |
| ESG Administration  | Up to 7.5% maximum<br>can be allocated   | 7.5%                   |
| Total               |  | 100%                   |

# STREET OUTREACH

**Eligible Participant:** Unsheltered individuals and families, meaning those who qualify under paragraph 24 CFR 577.2(1)(i) of the definition of “homeless”.

**Overview:** Essential services to eligible participants provided on the street or in parks, abandoned buildings, bus stations, campgrounds, and in other such settings where unsheltered persons are staying. Staff salaries related to carrying out street outreach activities are also eligible.



# ELIGIBLE STREET OUTREACH ACTIVITIES

## Engagement

- Activities to locate, identify, and build relationships with unsheltered homeless people for the purpose of providing immediate support, intervention, and connections with homeless programs and/or mainstream social services and housing programs.
  - ✓ Case Management
  - ✓ Emergency Health Services
  - ✓ Emergency Mental Health Services
  - ✓ Transportation
  - ✓ \*Services to Special Populations

# EMERGENCY SHELTER

- Eligible Participants: Individuals and families who are homeless.
- Overview: Essential services to persons in emergency shelters, renovating buildings to be used as emergency shelters, and operating emergency shelters. Staff costs related to carrying out emergency shelter activities are also eligible.
- Eligible Cost Overview:
  - Essential Services
  - Renovation
  - Shelter Operations

# ESSENTIAL SERVICES

Below are eligible cost for services provided to individuals and families who are in an emergency shelter:

- Case Management
- Life Skills
- Child Care
- Education Services
- Employment Assistance and Job Training
- Outpatient Health Services
- Legal Services
- Mental Health Services
- Substance Abuse Treatment Services
- Transportation
- Services for Special Populations

# FACILITY REHABILITATION, CONVERSION, AND RENOVATION

- This includes the renovation, major rehabilitation, or conversion of buildings for use as emergency shelters or transitional housing for the homeless. Renovated buildings must be used as shelters for three (3) years, and a major rehabilitation or conversion project involves a 10-year commitment.
- **Note:** The City has determined that the use of ESG funds for facility renovations, conversion, or substantial rehabilitation is not the most effective or efficient use of ESG funding. Funding for this category will be very limited.
- **Eligible Expenditures include:**
  - Labor, materials, tools, and;
  - Other costs for renovation, including soft costs, fees and professional services

# ESSENTIAL SERVICES – SHELTER OPERATIONS

Costs to operate and maintain emergency shelters and also provide other emergency lodging when appropriate.

| Eligible Costs                                  |   |
|---|---|
| Insurance                                       | Rent  |
| Security  | Fuel  |
| Utilities                                       | Equipment   |
| Hotel or motel voucher for family or individual | Supplies necessary for operating an emergency shelter |
| Food  | Furnishings   |
|   | Maintenance (including minor repairs)                 |

\* Hotel or motel vouchers are only eligible when no appropriate emergency shelter is available.



# RAPID RE-HOUSING AND HOMELESS PREVENTION

## Eligible Program Participants

- **Rapid Re-Housing:** individuals and families who are literally homeless, meaning those who qualify under paragraph (1) of 24 CFR 577.2(1)(i) definition of homeless.
- **Homeless Prevention:** Individuals and families who are at *imminent risk, or at risk, of homelessness*, meaning those who qualify under the definition of homeless or those who qualify as at risk of homelessness under paragraph (2) and (3) of 24 CFR 577.2. Individuals and families must have an **income below 30% of AMI** (for Norfolk, 30% AMI for a family of four (4) equals \$24,250).
- **Overview of Eligible Activities:** Short- and medium-term rental assistance and housing relocation and stabilization services. Staff salaries related to carrying out rapid re-housing and homelessness prevention activities are also eligible.

# TYPES OF ASSISTANCE FOR RR & HP HOUSING RELOCATION AND STABILIZATION SERVICES

## Requirements and Restrictions

- Participants must meet with case manager at least once a month for the duration of assistance, except where funding under Violence Against Women Act (VAWA) or Family Violence Prevention Services Act (FVPS) prohibits the agency from making shelter or housing conditional upon the receipt of services
- Participants must be assisted, as needed, in obtaining:
  - ✓ Appropriate Supportive Services such as medical or mental health treatment or services essential for independent living
  - ✓ Mainstream benefits such as Medicaid, SSI and TANF

# HOMELESS PREVENTION

## Purpose

- To prevent persons from becoming homeless in a shelter or an unsheltered situation.
- To help such persons regain stability in their current housing or other permanent housing.

## Eligible Participants

- Extremely low income individuals and families (household income **below 30%** of family AMI) at risk of becoming homeless and moving into an emergency shelter or place not meant for human habitation.

## Eligible Activities

- Housing Relocation and Stabilization Services
- Short- and Medium-Term Rental Assistance

# INCOME LIMITS

## 2015 Income Limits Documentation System

### Income Limits Summary Effective March 6, 2015

#### Virginia Beach-Norfolk-Newport News, VA-NC MSA

| FY 2015<br>Income<br>Limit Area | Median<br>Income | FY 2015<br>Income Limit<br>Category     | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7 Person | 8 Person |
|---------------------------------|------------------|---|----------|----------|----------|----------|----------|----------|----------|----------|
| City of<br>Norfolk              | <b>\$70,900</b>  | Extremely Low<br>(30%) Income<br>Limits | \$14,900 | \$17,000 | \$20,090 | \$24,250 | \$28,410 | \$32,570 | \$36,730 | \$40,890 |
|                                 |                  | Very Low<br>(50%) Income<br>Limits      | \$24,850 | \$28,400 | \$31,950 | \$35,450 | \$38,300 | \$41,150 | \$44,000 | \$46,800 |
|                                 |                  | Low (80%)<br>Income Limits              | \$39,700 | \$45,400 | \$51,050 | \$56,700 | \$61,250 | \$65,800 | \$70,350 | \$74,850 |

The Virginia Beach-Norfolk-Newport News, VA-NC MSA contains the following areas: Currituck County, NC ; Gloucester County, VA ; Isle of Wight County, VA ; James City County, VA ; Mathews County, VA ; Surry County, VA ; York County, VA ; Chesapeake city, VA ; Hampton city, VA ; Newport News city, VA ; Norfolk city, VA ; Poquoson city, VA ; Portsmouth city, VA ; Suffolk city, VA ; Virginia Beach city, VA ; and Williamsburg city, VA .

For details on the calculation steps for each of the various parameters, please click the "Median Income" column heading or the Income Limits row labels ("Very Low-Income (50%) Limits", "Extremely Low-Income (30%) Limits", and "Low-Income (80%) Limits").



# RAPID RE-HOUSING

## Purpose

- To help homeless persons, living on the streets or in an emergency shelter, transition as quickly as possible into permanent housing and to help such persons achieve stability in that housing.

## Eligible Participants

- Literally homeless individuals and families currently living in an emergency shelter or place not meant for human habitation.

## Eligible Activities

- Housing Relocation and Stabilization Services
- Short- and Medium-Term Rental Assistance



# RAPID RE-HOUSING AND HOMELESS PREVENTION

| Financial Assistance  | Services                   |
|---|----------------------------|
| Moving Costs  | Housing Search & Placement |
| Rent Application Fees   | Housing Stability          |
| Utility Payments (up to 24 months payments or 6 months arrears) | Case Management            |
| Security Deposit – equal to no more than 2 months rent          | Mediation                  |
| Utility Deposit   | Credit Repair              |
|   | Legal Services             |

# SHORT AND MEDIUM TERM RENTAL ASSISTANCE

## Rapid Re-Housing and Homelessness Prevention

| Types of Rental Assistance                              | Length of Assistance  |
|---|---|
| Short Term Rental Assistance                            | Up to 3 Months  |
| Medium Term Rental Assistance                           | 4 to 24 Months  |
| Payment of Rental Arrears                               | One time payment up to 6 months, including any late fees on arrears                           |
| Any Combination of the Three Types of Rental Assistance | Total not to exceed 24 months in a 3 year period, including any payment for last month's rent |

# HABITABILITY INSPECTION STANDARDS

- Prior to the HEARTH Act, HUD did not require inspections for the use of ESG dollars.
- With the HEARTH Act, HUD is requiring that a Habitability Inspection be completed.
- This does not include moving walls to search for mold.
- Run the water and if it is clear, without odor, it is most likely acceptable.
- Lead based paint inspection is required if the unit was built prior to 1978 and the household has a child under age six (6).

# HABITABILITY INSPECTION STANDARDS

- The landlord is responsible for lead-based paint testing and remediation.
- This applies to units built prior to 1978 and who have a child(ren) age six (6) or under.
- The city Health Department does free water testing.
- By doing a habitability inspection, agencies are meeting HUD program requirements, performing due diligence to ensure safe housing.

# DOCUMENTATION OF HOMELESSNESS STANDARDS

- ESG sub-recipients are required to maintain adequate documentation of homelessness status to determine eligibility of persons served by the ESG program.
- A copy of this documentation must be maintained by the sub-recipient in the client's or participant's file.
- Records must be maintained by the sub-recipient for a minimum of four (4) years after the close out of the program.



# STANDARDS FOR DOCUMENTATION

- ESG sub-recipients who receive rental assistance have to re-verify income quarterly.
- Monthly visits with client allow case managers to talk with client and practice progressive engagement to see if assistance is needed on a monthly basis.
- Households who are income eligible but fail to make effort to find employment, secure income, apply for other rental assistance programs although they demonstrated the ability to sustain housing at the time of entry cannot have their assistance terminated based on this criteria.

# SELF SUFFICIENCY VS. INDEPENDENT LIVING

- If clients enter as eligible for three (3) months; they cannot be promised any certain length of assistance (i.e., assistance will offered/ paid month-by-month within the qualifying limits).
- This stipulation ties the hands of agencies which focus on self-sufficiency or independent living; not dependency.
- Agencies should have a process that identifies the criteria that would constitute termination of assistance, the outright prohibition of terminating funding.

# STANDARDS FOR DOCUMENTATION

HUD's preferred order of documentation of homelessness is as follows:

- Third Party: source (e.g. official termination notice), written documents including HMIS records, or oral confirmation.
- Intake Staff Observations: case manager determines homelessness
- Self-Certification by individual seeking assistance

Exceptions to preferred order when the below types of assistance are provided:

- Emergency Shelter
- Street Outreach
- Victim Services\*

\* *Victim Services are to programs that are to protect the safety of individuals/families fleeing or attempting to flee Domestic Violence*

# EXPENDITURE LIMITS FOR STREET OUTREACH & EMERGENCY SHELTER

Combined Street Outreach and Emergency Shelter expenditures from the City's overall ESG grant cannot exceed the greater of:

- 60% of the total ESG grant award for the program year (e.g. 2011-12); or
- The amount of FY 2010 ESG funding that was used by the city for emergency shelter and residential services.

# ESG MATCHING FUNDS REQUIREMENTS

- ✓ Except as provided under paragraph (a)(2) and (a)(3), the recipient must make matching contributions to supplement the sub-recipient's ESG program in an amount that equals the amount of ESG funds provided by HUD.
- ✓ Matching contributions may be obtained from any eligible source, including federal source other than the ESG program, as well as state, local, and private sources. Additional requirements may apply to matching contributions from federal source of funds.
- ✓ Matching contributions must be provided after the date that HUD signs the ESG agreement with the City.



# ESG MATCH CRITERIA

ESG sub-recipients must provide dollar-for-dollar match which may include:

- ✓ Cash
- ✓ The value of fair rental value of any donated material or building
- ✓ The value of any lease on a building
- ✓ Any salary paid to staff to carry out the program of the recipient
- ✓ The value of the time and services contributed by volunteers at a rate of \$5.00 per hour

*Note: Volunteers providing professional services as medical or legal services are valued at the reasonable and customary rate in the community*

# FINANCIAL MANAGEMENT, ACCOUNTING & GRANT ADMINISTRATION

- ✓ All sub-recipients must establish and maintain acceptable General Accounting System.
- ✓ All non-profit ESG sub-recipients must comply with the following OMB Circulars and HUD regulations:
  - OMB A-122 (Cost Principals)
  - OMB A-110 (Uniform Administrative Requirements)
  - 24 CFR Part 84 (Uniform Administrative Requirements)
- ✓ All local government ESG sub-recipients must comply with the following OMB Circulars and HUD regulations:
  - OMB A-87 (Cost Principals)
  - OMB A-102 (Uniform Administrative Requirements)
  - 24 CFR Part 85 (Uniform Administrative Requirements)

# FINANCIAL MANAGEMENT

Grantees and sub-recipients in the ESG program must ensure compliance with regulations and requirements pertaining to the following key areas of financial management:

| ○ Usage of Funds  | ○ Required Funding Match | ○ Internal Controls   |
|---|--------------------------|-----------------------|
| ○ Budget Controls                                       | ○ Cash Management        | ○ Accounting Controls |
| ○ Audits  | ○ Asset Controls         |                       |
| ○ Procurement (supplies, services, equipment, property) |                          |                       |

# FINANCIAL MANAGEMENT AND GRANT ADMINISTRATION

- ✓ ESG sub-recipients must maintain *all* records pertaining to the administration of their ESG for a minimum of four years.
- ✓ Independent Single Audit (OMB Circular A-133) All ESG sub-recipients who expend more than \$500,000 of Federal funds (include all Federal sources) in a single year must conduct a Single Audit in conformance with A-133. Copies of the Single Audit must be sent to the DND.

# PARTICIPATION OF HOMELESS PERSONS IN POLICY – MAKING AND OPERATIONS

- ✓ ESG regulations [24 CFR 576.56(b)] require that recipients of Shelter Grant funds encourage the participation of homeless or formerly homeless persons in a policy-making function within the sub-recipient's organization.
- ✓ All sub-recipients of ESG are required to involve or encourage involvement of participants in the operation of an ESG-funded program or shelter.
- ✓ During DND monitoring visits, ESG sub-recipients will be required to provide documentation of their efforts to seek the participation of the homeless or formerly homeless.



# TERMINATION OF PARTICIPATION AND GRIEVANCE PROCEDURE

24 CFR 576.56(A)(3)

- ✓ The city and sub-recipients may terminate assistance provided through ESG-funded activities to participants who violate program requirements.
  - Written procedures must describe the specific program requirements and the termination process.
  - The grievance or appeal process should include the procedures for a participant to request a hearing regarding the termination of their assistance.

*The Federal regulation at 24 CFR 576.56(a)(3) describes the termination provision:*

- Termination of Assistance 24 CFR 576.56(a)(3)
  - Grantees and recipients may, in accordance with 42 U.S.C. 11375(e), terminate assistance provided under this part to an individual or family who violates program requirements.

*The Federal statute details termination of assistance:*

- Termination of Assistance 42 U.S.C. 11375(e)
  - If an individual or family who receives assistance under this part from a recipient violates program requirements, the recipient may terminate assistance in accordance with a formal process established by the recipient that recognizes the rights of individuals affected, which may include a hearing.

# ESG SUB-RECIPIENT AGREEMENTS

Federal regulations require the city to enter into written agreements with all ESG sub-recipients. Typically, the ESG agreements are for a one-year term but the sub-recipients have 24 months to expend funds.

**The agreements identify and establish:**

- Key program components or activities (including benchmarks for success);
- The level of ESG funding;
- The anticipated source and amount of matching funds (24 CFR 576.201) contributed by the sub-recipient organization;
- Documentation or reporting requirements; and
- Other terms and conditions of ESG funding.

# REPORTING - HMIS

- The HEARTH Act makes HMIS participation a statutory requirement for ESG grantees and sub-recipients.
- Victim service providers and Legal Services organizations may choose not to participate in HMIS. Providers that do not participate in HMIS must use a comparable database that produces unduplicated, aggregate reports instead.
- Eligible HMIS costs include, but are not limited to, the following:
  - **Hardware, Equipment, and Software Costs**
  - **Staffing:** Paying salaries for operating HMIS
  - **Training and Overhead:** Technical support, leasing space, overhead, and utilities for space used by HMIS staff

# HMIS COMPARABLE DATABASE

## Victim Services or Legal Services Providers

A victim services or a legal services provider may use ESG funds to establish and operate a comparable database that collects client-level data over time and generates unduplicated aggregate reports based on the data.

- Activities already defined under this component that allow for the establishment and operation of a comparable database
- Information entered into a comparable database must not be entered directly into or provided to HMIS



# REIMBURSEMENT RESPONSIBILITIES

## ➤ Reimbursement Request:

- Cover page of request and summary page
- Invoice or bill
- Cancelled check or bank statement
- Late charges are not eligible

## ➤ Reporting

- HMIS reporting
- Compliance with previous monitoring and/or audit findings

## ➤ Final-Date for Reimbursement and Reporting

- All reimbursement requests and reports must be submitted by the deadline specified by your Program Administrator.

# SITE VISITS/ MONITORING

The three basic goals for oversight and monitoring of the progress and performance of ESG grantees and recipients include:

- Ensure that ESG funds are used effectively to assist homeless individuals and families and that the basic ESG program goals are met;
- Ensure compliance with ESG regulations and program requirements in the usage of funds and in carrying out program activities; and
- Enhance and develop the management capacity of grantees or recipients.

# KEY COMPONENTS TO PROJECT FILES

## Required Do's:

- ✓ Sub-recipient application
- ✓ Written contractual agreement & revised budget
- ✓ Financial records and audit
- ✓ Correspondence
- ✓ Progress reports (quarterly)
- ✓ Appropriate income limits
- ✓ Demand for payment documents
- ✓ Supporting documentation
- ✓ Monitoring reports

## Don'ts:

- ✗ Destroy or trash program files until after five (5) years after program completion
- ✗ Place program documents not accessible to agency staff
- ✗ Combine any program documents with other years

# PROGRAM CLOSE - OUT

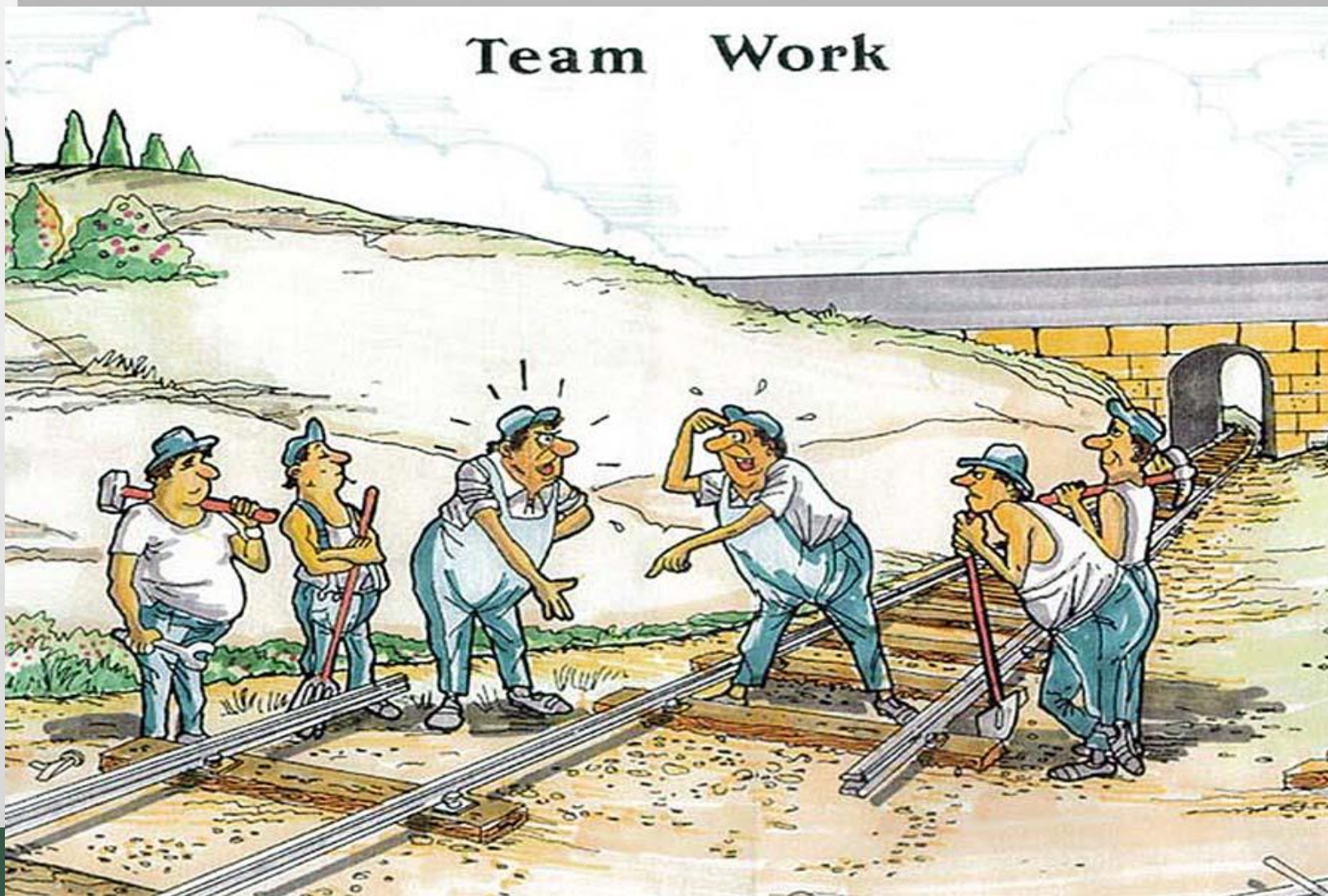
What happens when a program does not meet the June 30<sup>th</sup> deadline to complete?

- ✓ ESG sub-recipient have 24 months to manage and expend program funds
- ✓ If an agency foresees that funds will not be spent within 24 months, it is the responsibility of the agency to inform DND prior to the end of the 24 month deadline
- ✓ Any ESG funds unspent after 24 months are sent back to HUD



# TEAM WORK

## Team Work



We all must work as a team during the program year



# NEED ASSISTANCE?

Resources are available on [www.hudhre.info](http://www.hudhre.info)

Please refer to your ESG Desk Guide or contact your Program Administrator

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